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March 26, 1993

Richard C. Hartgrove
General Attorney

Mr. William A. Blase, Jr.
Director-Federal Regulatory
Southwestern Bell Corporation
1667 K Street, N.W., Suite 1000
Washington, D.C. 20006

Dear Bill:

Re: Comments of Southwestern Bell Telephone Company
CC Docket 92-275

Enclosed please find an original and four (4) copies of the above-referenced pleading to be filed with the Secretary of the Commission on March 29, 1993. Also enclosed is a copy of the pleading to be file-stamped and returned to me.

Additional copies of the pleading are attached to be used as courtesy copies and one is included for your files.

Please call to confirm that the pleading has been filed. Thank you for your assistance.

Very truly yours,

A handwritten signature in cursive script that reads "Richard C. Hartgrove".

Enclosures

One Bell Center
Room 3520
St. Louis, Missouri 63101

Phone 314 235-2506

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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In The Matter of)
)
New Service Reporting Requirements) CC Docket No. 92-275
Under Price Cap Regulation)

COMMENTS OF
SOUTHWESTERN BELL TELEPHONE COMPANY

Southwestern Bell Telephone Company (SWBT), by its attorneys, and pursuant to the Notice of Proposed Rulemaking released January 19, 1993 in this docket¹, hereby files its Comments in this matter. SWBT believes that the transition from quarterly tracking reports to annual tracking reports for new services is a positive step, but other aspects of the NPRM require correction.

I. IF THEY ARE NECESSARY AT ALL, NEW SERVICE TRACKING REPORTS SHOULD NOT BE REQUIRED AFTER CONCLUSION OF THE FIRST YEAR OF SERVICE.

The Commission's transition from quarterly tracking reports to annual tracking reports for new services is a positive step in the direction of streamlining regulation, and minimizing the Commission's administrative burden. The NPRM does not go far enough, however, since the annual reports will not be terminated until "after the second annual report following the inclusion of the service in price cap indexes."² This proposal would require LECs to submit new service tracking reports for three years.

¹ New Service Reporting Requirements under Price Cap Regulation, Notice of Proposed Rulemaking, (FCC 92-514) (released January 19, 1993) (NPRM).

² NPRM at para. 5.

When the LECs were required to satisfy the Net Revenue Test for all new services, it was common to file two or three years of demand and revenue results for each service. Under this requirement, there appeared to be some need to file tracking reports to compare actual expense and revenue results with projected Net Revenue Test results. However, in light of the Commission's Order in CC Docket Nos. 89-79 and 87-313, which held the Net Revenue Test "superfluous as a check on predatory pricing,"³ SWBT files nothing more than one (1) year of product demand and revenue results. Thus, the proposal to submit new service reports for three years is useless since there is no projection with which to compare the results after the initial year in service.

SWBT also questions the need to file the tracking reports at all. Since the information provided in the reports (total expenses and total revenues) can be easily derived by using the demand quantities as filed in the subsequent Annual filings after the new service goes into Price Cap Regulation, (by multiplying them by the expenses and the rates filed in the original filing) gathering the report is an unnecessary administrative burden for the Commission.

Further, SWBT urges the Commission to continue efforts to remove other burdens to the introduction of new interstate services. Exchange carriers should not be required to obtain

³ Amendments of Part 69 of the Commission's Rules Relating to the Creation of Access Charge Sublements for Open Network Architecture and Policy and Rules Concerning Rates for Dominant Carriers, 7 FCC Rcd. 5235 (1992), at para. 12.

waivers of the Commission's Part 61 or 69 rules to introduce new rate elements or to reference technical publications. Exchange carriers should be permitted, at a minimum, to file new service tariffs with no more than a twenty-one day notice period, if the revenues for the new service are considered to be de minimus. Without such changes, customers do not receive all the benefits of new services.

II. CONCLUSION.

For the above reasons, SWBT respectfully requests that the Commission eliminate the tracking reports. In any event, if the Commission finds there to be a need for the reports, SWBT respectfully requests that the reports be terminated after conclusion of the first year of service so that only one annual report would be required instead of three.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

By 

James E. Taylor
Richard C. Hartgrove
Thomas A. Pajda

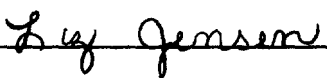
Attorneys for
Southwestern Bell Telephone Company

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March 29, 1993

CERTIFICATE OF SERVICE

I, Liz Jensen, hereby certify that the foregoing
Comments of Southwestern Bell Telephone Company in Docket
92-275, have been served this 29th day of March, 1993 to the
Parties of Record.


Liz Jensen

March 29, 1993

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